

**Before the State of South Carolina
Department of Insurance**

In the matter of:

Lois A. Smith
5426 Summerton Highway
Manning, South Carolina 29102.

**Consent Order Imposing Administrative
Penalty, in Lieu of Revocation of
Resident Insurance Agent's License**

File Number 2002-115214.

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Lois A. Smith, a licensed South Carolina resident insurance agent.

Lois A. Smith admits, and I hereby find as fact, that while licensed to do business as a resident insurance agent within the State of South Carolina for Illinois Mutual Life Insurance, was culpable of conducting business in a negligent manner, while handling the policy application of Della Brown and its subsequent payment. These acts, as alleged, are a direct violation of S.C. Code Ann. § 38-43-130 (Supp. 2002).

Prior to the initiation of any administrative proceedings by the Department against her, Ms. Smith and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision, rather than to proceed toward a formal public hearing. The consensual recommendation was that, in lieu of the Department seeking to revoke Lois Smith's resident insurance agent license, she would waive her right to a public hearing and immediately pay an administrative fine in the total amount of \$500.

Section 38-43-130 of the South Carolina Code provides that "the director or his designee may revoke or suspend an agent's license after ten day's notice...when it appears that an agent...has willfully deceived or dealt unjustly with the citizens of this State." This Code section goes on in Subsection (!) to describe "deceived or dealt unjustly with the citizens of this state" specifically to include, "misstating the facts in an application for insurance or aiding in the misstatement of facts."

After a thorough review of the record, and pursuant to my findings of fact, I hereby conclude as a matter of law, that Lois A. Smith has violated S.C. Code Ann. § 38-43-130(1) (Supp. 2002). As a result, I can now take administrative disciplinary action against her resident insurance agent's license. However, under the discretionary authority provided to me within S.C. Code Ann. § 38-43-130 (Supp. 2002), and after carefully considering the recommendation of the parties, I hereby impose against Lois Smith an administrative fine in the total amount of \$500. Ms. Smith must pay that fine within ten days of the date of my signature upon this consent order.

If she does not timely pay that total fine amount, her resident insurance agent license will be immediately revoked without any further disciplinary proceedings.

The parties have reached this agreement in consideration of the Department having never taken any administrative disciplinary action against Lois A. Smith before, and of her assurance that in the future she will comply with the state's insurance laws. The parties expressly agree and understand Ms. Smith's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By her signature upon this consent order, Lois A. Smith acknowledges that she understands that this administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2002).

Nothing contained within this administrative disciplinary order should be construed to limit or to deprive any person of any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the law relative to the business of insurance or the provisions of this title which he considers necessary to report." S.C. Code Ann. § 38-3-110 (4) (Supp. 2002).

It is, therefore, ordered that Lois A. Smith shall, within ten days of the date of my signature on this consent order, pay through the Department an administrative fine in the total amount of \$500.00.

It is further ordered that a copy of this consent order be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states and a copy be placed in Lois A. Smith's licensing file.

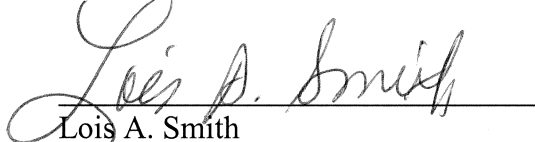
This order becomes effective as of the date of my signature below.



Ernst N. Csiszar
Director

May 1, 2003, at
Columbia, South Carolina

I CONSENT:



Lois A. Smith
5426 Summerton Highway
Manning, South Carolina 29102.

Dated this 26th day of February, 2003.